

No. 16

NOTE ON THE "MARCH WAR SCARE" OF 1948

(NOTE: This paper was written in May 1953 in response to a question from the Historian of Central Intelligence concerning the origin, nature and relative speed of production of the estimates written as a result of General Clay's March 1948 letters concerning the possibility of a Soviet attack.)

Although the question cannot be answered, whether or not the estimates cited below, or their equivalent, would have been written during the first half of 1948 if General Clay had not aroused anxieties in the Department of the Army by his March communications, it is entirely possible that they would not have been. It is true that an unusual state of tension existed at this time, not only because of the "Berlin Blockade," which was the immediate cause, but in consequence of the February coup in Czechoslovakia, and the cumulative effects of Soviet aggression since the war. At the same time, the basic estimate (ORE-1 "Foreign and Military Policies of the USSR," July 23, 1946) still stood, and still represented the collective opinion of American intelligence. This estimate, which had allowed for events such as were to take place during 1947-8, had nevertheless stated that the USSR would not go deliberately to lengths which would be designed to culminate in war against the United States.

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The current estimates published by Central Intelligence had already taken full account of the principal events that must have been in General Clay's mind and contributed to his "distinct 'feeling' that the USSR might resort to military action in the near future," but they had not interpreted these events as belligerent actions designed to lead to immediate hostilities. These current estimates, though they had not received "formal concurrence," had not been challenged by any Agency. It is possible, in other words, that the spring of 1948 might have gone by without any inter-agency review of the generally understood stand of American intelligence that the time of a Soviet-initiated war had not arrived.

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1. See particularly Nos. and concerning the CIA Monthly Review of the World Situation.
2. See memorandum pp. 3-5 below.

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Fears aroused by General Clay's letters, however, made such a review mandatory. Because this was clearly a case where no one agency could satisfactorily handle the problem, yet where each had a vital interest in the outcome of the review, it was natural if not inevitable that Central Intelligence would be called upon to prepare an estimate and to furnish the leadership in the endeavor.

The first message from General Clay was received on March 11th, but there does not appear to have been interdepartmental consultation before March 13th. Although views were at first divergent, the estimate of March 16, 1948, submitted to the President, was unanimously concurred in by the Central Intelligence Agency and the intelligence agencies of the Departments of State, Army, Navy and Air Force. It estimated the likelihood of war during the ensuing 60-day period. However, the next estimate in the series, dated April 2, 1948, which sought to extend the estimate beyond the 60-day period, was accompanied by an Air Force dissent on the grounds that the international situation was so delicate that it would be unwise to speculate beyond the short term.

The circumstances leading to the March 16th estimate received wide publicity as a result of the reference to it in Vol. I, p. 17 of the Report of the Committee on the National Security Organization (Eberstadt Committee), in the following terms: "Testimony was presented to the Committee that in the spring of 1948, a mistaken intelligence estimate, prepared by a departmental intelligence agency, stimulated recommendations — which if followed — might well have had serious consequences. Fortunately, in this instance, the Central Intelligence and other intelligence groups correctly evaluated the available information in good time."

According to the report made by Messrs. Dulles, Jackson, and Correa to the National Security Council on 1 January 1949, the series of estimates that resulted from this review constituted an important departure from methods hitherto used in the construction of national estimates. Their discussion of the incident follows:

"The most significant exception to a rather general failure to coordinate intelligence opinion in national estimates was a series of reports on Soviet capabilities and intentions, beginning in March, 1948, by an ad hoc committee of representatives of the Departments of State, Army, Navy and Air Force under the chairmanship of the Central Intelligence Agency. This case illustrated that, when properly used, the existing interdepartmental arrangements can, under the leadership of the Central Intelligence Agency, provide the President and top policy-makers with an authoritative intelligence estimate.

■ "After some initial delay following the receipt by the Army of a disturbing message from General Clay, the President on March 16, 1948 received from Central Intelligence Agency a brief short-range estimate as to the likelihood of war, discussed and concurred in by all the interested agencies. Divergent views had been reconciled and a unanimous estimate drafted. The importance of this procedure, particularly in an emergency situation, is difficult to overemphasize; it insures that all the interested agencies have contributed to consideration of the situation and establishes their collective responsibility for the estimate. If divergences cannot be reconciled, at least the opposing points of view can be identified. The possibility of any one service arriving at a false or completely contradictory estimate and of independent actions being taken as a result is thereby reduced.

"The procedure of consultation followed in March was in this particular case largely fortuitous. There was at the time no regularly established procedure for such consultation. It was not nor has it since become normal practice either for "ordinary" or "crisis" estimates as we believe it should."

The following is the account of the same incident written one week before publication of the Dulles Report, by the chairman of the ad hoc committee to which the Report had reference:

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SECRET

23 December 1948

MEMORANDUM FOR: THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: CIA Relations with the Air Force on Estimates of Soviet Intentions

1. My understanding of the origin of the March "war scare" is that General Clay wrote a letter to the Secretary of War in which he stated that although he had no specific evidence to support his position he had a distinct "feeling" that the USSR might resort to military action in the near future. I never saw Gen. Clay's letter.

2. After this letter was discussed in the Department of the Army, as I understand it, General Chamberlain called a meeting of the Directors of the IAC Agencies to discuss the situation. At this meeting, after considerable discussion, it was decided to appoint an ad hoc working committee representing all the IAC Agencies to make a quick reassessment of Soviet intentions for the next 60 day period and report back to the Directors of the agencies.

3. I was appointed chairman of this ad hoc committee. Within a few days this committee submitted a report to a second meeting of the Directors of the IAC Agencies. The Directors did not accept the full report but decided instead to submit to the President, and to publish as a CIA Special Evaluation, a short three paragraph statement under the title, "Reassessment of Soviet Intentions for the Next 60 days," dated 16 March 1948.

4. The ad hoc committee continued its studies and subsequently published three additional estimates as follows:

1. "Possibility of Direct Soviet Military Action During 1948," (ORE 22-48), 2 April 1948.
2. "The Strategic Value to the USSR of the Conquest of Western Europe and the Near East (to Cairo) Prior to 1950" (ORE 58-48), 30 July 1948.
3. "Appendices to ORE 58-48," 27 October 1948. (Nos. 2 and 3 were under the code name Protect 50)

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5. In September the ad hoc committee was reassembled to review ORE 22-48, "Possibility of Direct Soviet Military Action During 1948", and to extend the period under review to the end of 1949. This was published on 16 September 1948 as ORE 22-48 (Addendum).

6. The following procedures were followed in the preparation of the above estimates:

a. The paper submitted to the second meeting of the Directors of the IAC Agencies was based upon a draft which I had submitted for the consideration of the members of the ad hoc committee.

b. In the preparation of ORE 22-48, "The Possibility of Direct Soviet Military Action During 1948", the representative of each agency on the ad hoc committee submitted a draft. I then prepared a new draft on the basis of the submissions, which, after review and amendments by the committee, was accepted as the final paper.

c. The basic work on ORE 58-48 (Project 50) was prepared by four interdepartmental subcommittees which studied, respectively, the military, economic, political and scientific aspects of the problem. On the basis of these four subcommittee studies, I drafted the paper which, after consideration and amendments by the committee, was published as ORE 58-48. The subcommittee reports were subsequently published as Appendices to ORE 58-48.

d. The draft for ORE 22-48 (Addendum) was prepared by [redacted] of CIA after the ad hoc committee had discussed ORE 22-48 and agreed upon the changes which it considered necessary.

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7. As already indicated, these estimates have all been published and distributed to the authorized recipients of CIA studies. You will recall that after ORE 22-48 was in print, General MacDonald, Director of Intelligence, USAF, submitted an elaborate comment, which amounted to a dissent, and, which was attached in dittoed form to the published paper. The Office of Naval Intelligence also made a minor modification in the conclusions. You may recall also that you had authorized publication of this study without resubmission to the Directors of the Intelligence Agencies. ORE 58-48 (Project 50) included, as Enclosure B to the report, an elaborate dissent by the Intelligence Organization of the Department of the Air Force. This dissent represented the opinion of the Director of the Air Force Intelligence Organization and was prepared after the original paper had been agreed to by the Air Force working members and after changes had been incorporated which the Air Force members had anticipated would meet the objections of the Director.

8. To my knowledge, ORE has never seen during this period any Air Force estimate on Soviet intentions except the preliminary draft submitted, along with those of the representatives of the other agencies,

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for the preparation of ORE 22-48. We have certainly never seen any Air Force estimate that could be described as likely to involve this country in war nor did we see any estimate on Soviet intentions to attack Scandinavia as reported by the Alsops. It is quite true, however, that at the time of the preparation of the 60 day estimate for the second meeting of the IAC Directors and of ORE 22-48, the Air Force elements were far more alarmist than any of the others and would probably have preferred that the possibility of Soviet military action be more strongly emphasized.

9. During a number of interviews with representatives of the Hoover and the Dulles-Jackson Committees, I made the following comments with reference to the necessity for an independent, top level agency such as CIA to make intelligence appreciations and estimates for the policy makers of the Government.

a. I stated that it was virtually impossible under present circumstances to get a completely objective intelligence estimate from the Service departments, as they were unable to free themselves from the influences of departmental policy and budgetary interests.

b. As illustrative of this point, I told the committee representatives that in the preparation of ORE 22-48, the G-2 representative had stated that General Chamberlain wanted to have included in the estimate a recommendation for the draft and universal military training, which I emphatically refused to consider. I also told them that the Air Force was far more alarmist than the rest of the committee members and that everyone noted a marked change in their attitude after the 70 Group Air Force had been obtained. I may also have made reference to the fact that it was frequently the tendency of the military departments too readily to translate capabilities into intentions without giving due weight to the wide range of political, economic and psychological considerations that enter into the decision of any nation in resorting to military action.

10. I have very strong convictions concerning the points made in 9 above, which are applicable to the State Department as well as to the military Services, and I would be prepared to restate these views under any circumstances.

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DEFOREST VANSLYCK

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According to Mr. Van Slyck's account, the first paper sent to the President bearing on Clay's memoranda seems not to have been that produced by the ad hoc committee but rather a modified version preferred by the Intelligence Advisory Committee. This paper was published on March 16, 1948 by Central Intelligence as Special Evaluation No. 27. It follows:

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REASSESSMENT OF SOVIET INTENTIONS FOR THE NEXT SIXTY DAYS

"An examination of all pertinent available information has produced no reliable evidence that the USSR intends to resort to military action within the next sixty days.

"The weight of logic, as well as evidence, also leads to the conclusion that the USSR will not resort to military action within the next sixty days.

"There is, nevertheless, the ever present possibility that some miscalculation or incident may result in military movements toward areas at present unoccupied by the USSR." 2

Evidently, this statement was furnished as an interim measure pending a Committee report more satisfactory to the Intelligence Advisory Committee than the first had been, for the Ad Hoc Committee was directed to "continue its studies" and produced ORE 22-48 "Possibility of Direct Soviet Military Action During 1948" in April. A copy of this paper follows:

ORE 22-48

TOP SECRET

POSSIBILITY OF DIRECT SOVIET MILITARY ACTION DURING 1948

*
Report by a Joint Ad Hoc Committee

THE PROBLEM

1. We have been directed to estimate the likelihood of a Soviet resort to direct military action during 1948.

*This estimate was prepared by a joint ad hoc committee representing CIA and the intelligence agencies of the Department of State, the Army, the Navy, and the Air Force. The date of the estimate is 30 March 1948.

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1. A copy is to be found among enclosures to a memorandum from the Assistant Director for Reports and Estimates to the Director dated 30 September 1949, Subject: "IAC Cooperation with CIA" in Historical Files Safe. No. 3405.

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1. A copy is in Historical Files Safe No. 3405.
2. This was not the first estimate on this subject that had been written since "ORE-1" of July 23 1946. Special Estimates Nos. 3, "Current Soviet Intentions," and 4, "Soviet Military Intentions," of 24 August and 18 September 1946 both take up all current indications of a Soviet intention to initiate war or adopt limited military measures and dispose of them for much the same reasons adopted in all papers in this series. In any study of the early record of Central Intelligence with respect to this subject, these papers should be given consideration. They are in Historical Files, . See also Paper No. 7.

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DISCUSSION

2. Our conclusions are based on considerations discussed in the Enclosure.

CONCLUSIONS

3. The preponderance of available evidence and of considerations derived from the "logic of the situation" supports the conclusion that the USSR will not resort to direct military action during 1948.

4. However, in view of the combat readiness and disposition of the Soviet armed forces and the strategic advantage which the USSR might impute to the occupation of Western Europe and the Near East, the possibility must be recognized that the USSR might resort to direct military action in 1948, particularly if the Kremlin should interpret some US move, or series of moves, as indicating an intention to attack the USSR or its satellites.

ENCLOSURE

DISCUSSION

1. The Soviet military forces are estimated to have the current capability of overrunning all of Western Europe and the Near East to Cairo within a short period of time.

2. Soviet military forces along the frontiers of Western Europe and the Near East are estimated to be combat ready and generally so disposed that they could launch an immediate offensive.

3. Since the end of the war Soviet Ground Forces have been reorganized to provide a substantial increase in mobility, more effective firepower, and improved leadership on all levels. The mobilization system permits tripling of strength within 30 days. The air forces have been provided with a substantial number of jet aircraft and several regiments of long-range bombers and are now organized into fifteen air armies, as compared with seventeen at the end of the war. An extensive air defense system has been developed along the Eastern and Western frontiers, employing an increasing number of jet interceptors and an effective radar system deployed in depth. There is evidence of increased emphasis on the development and production of long-range high-speed submarines. Soviet industrial production has continued to emphasize military rather than civilian requirements.

4. By exploiting the postwar political and economic instability in Europe and the rest of the world along traditional Marxist lines, Soviet leaders have already obtained very substantial results. The exploitation of such unstable conditions is the cheapest and safest method by which Soviet leaders can obtain their objectives.

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5. Certain basic factual data can be produced to help determine whether or not Soviet leaders would stand to gain or lose by exercising their current military capability of overrunning Western Europe and part of the Near East. Many factors bearing upon this problem, however, would still have to be determined on the basis of estimate and logic rather than upon factual evidence. (This problem is under detailed study.)

6. The determination at this time of whether or not Soviet leaders intend to employ their military capability rests, in the last analysis, essentially upon logic rather than upon evidence. We have no access to the thinking or decisions of the Kremlin and little contact with lower echelons of Soviet officialdom. Such evidence as is currently coming to hand, however, suggests that Soviet leaders do not presently intend to exercise their military capability of overrunning Western Europe and part of the Near East. Since the Czechoslovakian coup there have been some reports suggesting that Soviet leaders may intend shortly to resort to military action but these have been from unevaluated sources and can logically be interpreted as attempts by Soviet or anti-Soviet elements to exploit for their own purposes the fear psychosis prevalent throughout Europe as a result of the timing and rapidity of the Czech coup.

7. The intelligence agencies have generally taken the position that the USSR, in spite of its current military capabilities, would not commit itself to a course of action leading to war until, in the opinion of Soviet leaders, its economic potential had become adequate for a global war and until it possessed a reasonable stock of atomic bombs. It has also been assumed in some quarters that if, prior to the realization of the above objectives, the USSR were faced with impending stability in Europe, it would temporarily abandon its expansionist policy, consolidate its gains, and await the opportunity to promote and exploit new conditions of instability as they might develop in the future.

8. The positions taken in 7 above require a careful reappraisal, particularly in the light of recent US policy statements and other measures against Communist expansion.

CONSIDERATIONS WHICH MIGHT INDUCE THE SOVIET LEADERS TO RESORT TO MILITARY ACTION, IN THE ORDER OF THEIR IMPORTANCE

9. Soviet leaders may become convinced that the US actually has intentions of military aggression within the near future. In view of the well known suspicions inherent in the minds of Soviet leaders, and the isolation of most of these leaders from the west, it is possible that the Politburo might come to this conclusion.

10. Even if Soviet leaders did not expect imminent US aggression, they might estimate that an ultimate military clash with the US was inevitable and that, in view of current Soviet capabilities for overrunning Western Europe and the Near East, it would be to the USSR's advantage to

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strike at these areas in 1948. Soviet leaders may estimate that their military superiority relative to the Western Powers is now at its maximum. The USSR is faced with the prospect of (1) US rearmament and presumably the rearmament by the US of the Western European Powers now joined in a military alliance and (2) increasing US production of atomic bombs and longer range aircraft which will increase US capabilities for covering strategic Soviet targets.

11. Soviet leaders might estimate that if they overran Europe and part of the Near East they would vastly improve their military security and might obtain either a military stalemate or a negotiated peace based on the following considerations:

a. That Soviet acquisition of Western Europe and the Near East might make it too difficult, or at least too costly, for the US to attempt an invasion of these areas by ground forces. The situation would differ greatly from that obtaining in World Wars I and II. In those wars the US had beachheads on the continent or in England and the Soviet Union was an ally or a neutral in the rear of Germany. In this case the US would be faced with the manpower and space of most of the Eurasian land mass.

b. That domination of the channel coast would enable them to neutralize the UK.

c. That under these circumstances:

(1) the US public might not support the continuation of the war even if the military so desired, and

(2) the US in any event would be restricted to an air war and naval blockade, which, although capable of inflicting substantial damage on the Soviet and European economies, would not be able to dislodge the USSR from its newly won position.

d. That the denial to the Western Powers of Near Eastern oil would seriously impair their war potential.

12. The Soviet leaders might believe that, in spite of the currently impoverished condition of Western European economy and the vast difficulties inherent in the organization, control, and assimilation of this area, the quickest and easiest way to remedy the economic deficiencies of the USSR would be to seize the industrial capacity, the technical skills, and the scientific resources of Western Europe.

13. Soviet leaders might estimate that the European recovery program will succeed in stabilizing Europe for a protracted period and thereby deny them the possibility of gaining control of Western Europe through revolutionary and subversive methods.

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CONSIDERATIONS WHICH MIGHT RESTRAIN SOVIET LEADERS FROM RESORTING TO DIRECT MILITARY ACTION DURING 1948, IN THE ORDER OF THEIR IMPORTANCE:

14. The ultimate effectiveness of the European recovery program in stabilizing the economic situation in Western Europe is still far from assured, particularly in the light of Communist capabilities for disruption in Italy and France. The opportunities for further Soviet gains through the exploitation of economic, political, and social instability, while recently diminished, are by no means exhausted.
15. Soviet leaders have been in the past habitually cautious and deliberate, and, consequently, might be reluctant voluntarily to incur the risks inherent in a major war.
16. The occupation of Europe and the Near East would impose serious problems on Soviet leaders and expose them to grave risks.
 - a. The maintenance of military and police forces adequate to protect the defensive position gained by the occupation of most of Western Europe and the Near East would place a serious strain on both the economic resources and manpower reserve of the Soviet Union. Assuming that war with the US continues following the conquest of Western Europe and the Near East, the hostile populations of these areas and the satellites would form an enormous subversive element that would become particularly dangerous with the approach of US forces.
 - b. In addition to the problem of physical security, the control and assimilation of the economies of Western Europe and the exploitation of the resources of the Near East would impose a tremendous strain upon Soviet administrative organs and personnel resources, even with the help of well organized local Communist parties in some areas.
 - c. Soviet personnel would be exposed to the standard of living and political ideas of Western Europe. Following World War II, the Soviet leaders have had a serious problem of reindoctrinating not only the returned soldiers but the entire Soviet population. The exigencies of war, entirely apart from the possibility of any alien contamination, appear to undermine Soviet ideology and discipline.
17. The basic economic deficiencies of the USSR in terms of requirements for global war against the US:
 - a. The USSR suffered enormous physical damage in World War II and has probably not regained production levels of 1940 in all basic industries.
 - b. Capacity is inadequate in a number of vital fields, including transportation, communications, and in the production of steel, oil, and machine tools.

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c. In order to exploit the European economic potential, the USSR would have to supply raw materials and food to an already impoverished European continent cut off from the resources of the Western Hemisphere and other parts of the world outside the Soviet and her sphere of influence.

18. Soviet leaders may anticipate that, in spite of the European recovery program, the Marxist prediction that the capitalist world will collapse of its own accord will be fulfilled, following the economic dislocation of World War II.

19. The US has a growing stock of atomic bombs. Soviet leaders may not regard this weapon as a decisive factor, and may have considerable confidence in the USSR's defensive capabilities against atomic attack; they probably recognize, however, that atomic warfare can inflict vast destruction and loss of life on the USSR.

20. The Soviet population is definitely war-weary and has long been promised an improvement in its standard of living. While the Russians traditionally unite to repel foreign invaders, Soviet leaders might question whether, under present circumstances, they could risk the possibility of a protracted global war.

21. The politicians in the Politburo have always been suspicious of the military. War would again bring the military to the fore and might constitute a real or imagined threat to the Party leaders.

Some days after ORE 22-48 had been published, the Air Force insisted on having its "Comment" (a non-concurrence) circulated to recipients. The Navy also appended a brief comment. These "Comments" follow:

COMMENTS BY

The Director of Intelligence, USAF and
The Director of Naval Intelligence

A. The comment of the Director of Intelligence, USAF, is as follows:

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2. The Director of Intelligence, USAF, does not concur in the conclusion that the USSR will not resort to military action before the end of 1948. There is no reliable intelligence currently available to indicate that a Soviet-initiated war is likely within the forthcoming sixty days. Lacking any additional data, an extension of this estimate to the end of 1948 is largely dependent upon the application of logic to the basic intelligence previously considered. The weakness in this process is that our Occidental approach to logic might well be diametrically opposed to that of the Oriental Russian mind.

3. The fluidity and momentum inherent in the immediate situation render an abrupt change in the present balance readily possible. The developments of the next two months in Germany, Italy, Greece, and/or China may well provide indications as to a course of future action which might include war within the year. Although the Director of Intelligence, USAF, agrees that Occidental logic militates against war, it is not agreed that a preponderance of factual evidence exists to support such a conclusion.

4. The Director of Intelligence, USAF, does not believe that reliable data are presently available upon which to base an extension of the sixty-day estimate to the end of 1948 with useful validity.

5. In considering the above, the Director of Intelligence, USAF, recommends that the conclusions reached in the subject report be amended as follows:

a. There is no reliable intelligence currently available to indicate that Soviet-initiated direct military action is likely within the forthcoming sixty days.

b. The fluidity and momentum inherent in the immediate situation render an abrupt change in the present balance readily possible. The developments of the next two months in Germany, Italy, Greece, and/or China may well provide indications as to a course of future action which might include war within the year.

c. Lack of reliable evidence precludes the formation of any sound conclusion at this time regarding Soviet intentions to resort to direct military action beyond the forthcoming sixty days.

B. The comment of the Director of Naval Intelligence is as follows:

1. The Office of Naval Intelligence concurs in subject paper with the exception of paragraph (4). ONI viewpoint, paragraph (4) should read:

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"(4). However, the possibility must be recognized that the USSR might resort to direct military action in 1948 if the Kremlin should interpret some US move, or series of moves, as indicating an intention to attack the USSR or its satellites."

Since ORE 22-48 contained, and admitted to, several gaps in evidence particularly regarding the desirability, from the Soviet point of view, of overrunning Europe, the Committee turned to this subject after completing ORE 22-48. The result was ORE 58-48 "The Strategic Value to the USSR of the Conquest of Western Europe and the Near East (to Cairo) prior to 1950" published July 30, 1948.

ORE 58-48 follows:

ORE 58-48

TOP SECRET

FOREWORD

This paper is supplementary to ORE 22-48, entitled "Possibility of Direct Soviet Military Action During 1948." The latter paper concluded that both the available evidence and the "logic of the situation" indicated that the USSR would not resort to military action during 1948. At the same time it suggested the possibility that the USSR might gain sufficient strategic advantages from the employment of its recognized military capability of overrunning Western Europe and a large part of the Near East to induce Soviet leaders to decide upon this course of action, particularly if the Kremlin should interpret some US move or series of moves as indicating an intentions to attack the USSR or its satellites. The purpose of the present paper is to determine, on the basis of the maximum available factual data, whether or not the conquest of these areas prior to 1950 would actually place the USSR in a strong strategic position. Four subcommittees have examined in detail the economic, scientific, military, and political advantages and disadvantages that would accrue to the USSR if it adopted this course of action. The present paper is a synthesis based on these detailed subcommittee reports; the reports themselves will be published subsequently in the form of an appendix to this paper.

CENTRAL INTELLIGENCE AGENCY

15 July 1948

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THE STRATEGIC VALUE TO THE USSR OF THE CONQUEST
OF WESTERN EUROPE AND THE NEAR EAST (TO CAIRO)
*
PRIOR TO 1950

Report by a Joint Ad Hoc Committee

STATEMENT OF THE PROBLEM

1. To analyze and evaluate the advantages and disadvantages that would accrue to the USSR if it should elect, prior to 1950, to overrun the European continent and the Near East (to Cairo) with a view to determining whether or not the strategic position thus acquired would be sufficiently strong per se to induce Soviet leaders to adopt such a course of action.

ASSUMPTIONS AND FACTS BEARING ON THE PROBLEM

2. The USSR has the military capability of overrunning Europe (excluding the UK) and the Near East to Cairo in a short period of time.
3. The Western Powers would undertake immediate counteraction, including maximum employment of US air power, using the atomic bomb at least against Soviet targets.
4. A substantial part of the merchant and naval ships belonging to the countries which were overrun would manage to avoid falling under Soviet control.
5. A large part of the Near Eastern oil facilities and installations would be seriously damaged or destroyed prior to evacuation by present operators.
6. The Western Powers, through naval blockade, would effectively cut off commerce between continental Europe on the one hand and the Western Hemisphere, Africa, and Southeast Asia on the other.
7. In addition to the assumptions enumerated above, the basic problem of analyzing the Soviet position following the occupation of the areas in question must be considered under two broad alternative assumptions.

*This paper was prepared by a joint ad hoc committee representing CIA and the intelligence organizations of the Departments of State, the Army, the Navy, and the Air Force. It has been concurred in by the Directors of the intelligence organizations of the Departments of State, Army, and Navy. The dissent of the Director of Intelligence, Department of the Air Force, is appended as Enclosure B.

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a. That the USSR obtains a negotiated peace shortly after the occupation of these areas.

b. That, after the occupation of Western Europe and the Near East as far as Cairo, the USSR is faced with a continuing global war with the US and its allies, involving ultimate US invasion of Soviet controlled territory.

(The first assumption is necessary because Soviet leaders might elect to exercise their current military capabilities in the belief that, after Soviet occupation of these areas, the US public would not support the continuation of a war to liberate the European continent, and because, under the assumption of a quick negotiated peace, the Soviet position would differ greatly from what it would be if the USSR were forced to sustain the weight of a continuing global war.)

8. The position of the UK following Soviet occupation of the European continent would obviously have an important bearing upon the basic problem, particularly under the assumption in 7 b above. If the UK were either occupied by the USSR or completely neutralized, US capabilities for counteraction, particularly through naval and air operations, would be reduced. If, on the other hand, bases for US Naval and air operations from the UK remain tenable, substantial continuing damage could be inflicted upon the Soviet war potential, and shipping along the European coast would be largely interdicted.

9. An effort has been made in this paper to develop the maximum number of factual data with reference to the basic problem. This has been possible to a considerable degree with respect to the economic, scientific, and military factors. In the final analysis, however, we are still to a large extent dependent upon "the logic of the situation" and upon deductions from the pattern of Soviet behavior for our conclusions as to the possibility of direct Soviet military action.

DISCUSSION

(See Enclosure A)

CONCLUSIONS

10. If the USSR could obtain a negotiated peace shortly after the occupation of Western Europe and the Middle East to Cairo, the potential economic, scientific, and military advantages to the USSR would appear to be very substantial, but the USSR would not begin to reap significant advantages for a period of from two to three years after the completion of the occupation.

11. The occupation of Western Europe and the Middle East, however, would involve the Soviet leaders in grave political risks.

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12. We believe that, in spite of the prospect of substantial tangible economic, scientific, and military gains, the Soviet leaders would consider these political risks so serious a threat to their own positions of power and to their ultimate objective of a Communist world that they would be unlikely to undertake this operation—even under the assumption of a negotiated peace—unless they anticipated an attack or became involved in military action through accident or miscalculation.

13. An analysis of the economic and military position of the USSR under conditions of continuing global war against the US and its Allies prior to 1950, indicates clearly that the total realizable resources under Soviet control would be inadequate for the defense of the conquered areas.

14. We conclude, therefore, that neither the recognized military capability of overrunning Western Europe and the Near East to Cairo, nor any strategic advantages to be gained thereby are of themselves likely to induce Soviet leaders to undertake this course of action prior to 1950.

15. It is emphasized that the foregoing conclusions are based on an effort to weigh objectively the various considerations with respect to the stated problem and do not reflect an over-all estimate of Soviet military intentions prior to 1950.

ENCLOSURE A

DISCUSSION

1. This discussion will undertake to analyze and evaluate, under the following headings: (a) Economic, (b) Scientific, (c) Military, and (d) Political, the advantages and disadvantages which would accrue to the USSR if it should exercise, prior to 1950, its currently estimated military capability of overrunning Western Europe and the Near East (to Cairo).

Assuming a Negotiated Peace

2. If the USSR could obtain a negotiated peace shortly after the occupation of the areas in question the economic, scientific and military advantages per se would seem so far to outweigh the disadvantages that Soviet leaders might be tempted to undertake the venture. Without giving any weight to destruction during the period of the military operation, or to the factors of non-collaboration and organizational difficulties, the theoretical potential gains may be enumerated as follows:

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a. Economic. Occupation of this area would more than double the technically skilled manpower—engineering, mechanical, managerial—available to the Soviet Union. It would increase the non-agricultural labor force under direct Soviet control from 31 millions to 84 millions. The addition of European facilities for the production of precision and special purpose machine tools, optical instruments, and chemicals would relieve a serious current Soviet deficiency. The supply of coal under Soviet control would be more than doubled and steel capacity almost doubled. Shipbuilding capacity would be increased five-fold. Although the oil of the Middle East could probably not be raised and transported in significant quantities to the Soviet Union or Europe within the next several years, it would in the meantime be denied to the UK and the US and would eventually be available to the USSR and its newly acquired areas. Within 10 years' time the joint economic power of the USSR, its Satellites, and the occupied areas would probably equal that of the US.

b. Scientific. The exploitation of the facilities and the personnel of the pure and applied scientific institutions in Western Europe could, within five to seven years, increase the Soviet war potential by as much as 50 percent. Through the acquisition of the engineering and manufacturing facilities of Western Europe, the rate of progress of the Soviet atomic energy program could be doubled and the probable date by which the USSR will have exploded its first atomic bomb would be advanced from mid-1953 to mid-1951 or mid-1952, depending upon whether the USSR overran Europe in 1948 or 1949. The USSR would obtain the stockpile of uranium in France which is estimated to equal 25-50 percent of the present Soviet stockpile. In such important industries as precision equipment, liquid fuels, metallurgy of high speed and high temperature ferrous and light metal alloys, fine chemicals and plastics, the acquisition of European scientific facilities and personnel would within three years accelerate Soviet developments in these fields by between 15 and 30 percent. The electronics capacity would be doubled or tripled; production capacity for guided missiles of the operational German type would be increased by 25 to 100 percent, and aircraft research by 25 percent. Capabilities for the development and production of chemical and biological warfare agents would be substantially increased.

c. Military. The USSR by this operation would have extended its Western boundaries to to the Atlantic Ocean, eliminated all potential military powers on the European continent and all possible beachheads from which the US could (without amphibious assault) begin counter-operations on this continent. The extension of her territory on the south to include all of the Near East as far as Cairo, would provide increased protection for her vulnerable industrial areas in the Black and Caspian Sea regions. Soviet submarines could operate from ports along the entire Atlantic coast. Soviet air power could cover the entire Mediterranean Sea and extend far over the Atlantic. Soviet capabilities for defense against US strategic air attack would be

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Soviet leaders might fear—and their fears might well be justified—that if this vast area were suddenly overrun by military force, rather than progressively converted to, or taken over by, communism from within, the democratic bourgeois society might, after a period of years, contaminate and absorb the conqueror with the result that the Communist regime would disintegrate. Soviet leaders might also be restrained by the realization that resort to conquest on this scale would alienate the Moslem world and the peoples of the Far East as well as those of the Western Hemisphere; it would undermine the validity of their anti-imperialism propaganda and probably eliminate the possibility of winning the world to communism through subversion. In essence, Soviet leaders could not help but see in this operation serious risks to the maintenance of their position and power and a possible obstacle to the attainment of their ultimate objective of a Communist world. If they took these risks they would definitely be stepping out of character, as in the past they have always acted with great caution.

5. It is obviously extremely difficult to estimate the relative weight which Soviet leaders would attach to the advantages and disadvantages of a course of conquest as outlined above. Admittedly, the potential tangible economic, scientific, and military gains would appear to be substantial. Communist control would be extended to all of Europe and to a large part of the Near East in one quick stroke; the possibility of achieving a similar advance through subversion and the collapse of capitalism would appear remote and uncertain. However, we are inclined to believe that, in spite of the large tangible advantages, Soviet leaders would be unlikely to incur the risks inherent in this operation unless they anticipated attack and believed offensive action necessary for defensive purposes. They have already made substantial gains—partially undigested—since the war. They are basically realistic and concerned with the preservation of their own positions of power. They would, therefore, probably give predominate weight to the danger of the breakdown of the ideological discipline and security upon which their present control of the USSR and its Satellites so largely depends.

Assuming a Continuing Global War

6. If, after the occupation of Western Europe and the Near East to Cairo, the USSR were faced with a continuing global war with the US and its allies, involving ultimate US invasion of Soviet-controlled territory, the following basic factors would prevent the USSR from obtaining the tangible advantages outlined under the assumption in 2 above.

a. The maintenance of a naval and air blockade would effectively cut off the European continent from overseas imports vital both to the full exploitation of the economy under peacetime conditions and to the prosecution of a war effort.

b. Continuing damage to industrial installations, oil facilities, and transportation from US bombing.

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c. Increased difficulties in organizing the economic and political administration under war conditions.

d. Greatly increased difficulties in dealing with underground movements and resistance to collaboration on the part of the technically trained part of the population.

7. Only a in 6 above can be measured in concrete terms. An analysis of the economic position of the total Soviet-controlled area in the face of a naval and air blockade, which would shut it off from the products of the Western Hemisphere, Africa, and the Far East, indicates the following serious deficiencies:

a. The USSR would probably be unable to provide the minimum food requirements for this area. The area would have a deficit in grains of between 8.0 and 10.0 million metric tons a year. Similar over-all deficiencies would exist for fats, oils, and other foods.

b. Many essential commodities, such as natural rubber, tin, cotton and wool fibers, copper, lead and zinc, would not be available in adequate quantities to support full-scale industrial activity in Western Europe. These commodity shortages, together with the virtual absence of stock-piles of essential raw materials, the poor condition and repair of industrial plants, and the general economic dislocation prevailing in Europe, would result in a reduction in industrial production in Western Europe for an indefinite period to not over 60 percent of that presently contemplated for 1948-49.

c. Petroleum supplies that could be made available from limited synthetic production in Western Europe and exports of crude from the Soviet Union and its present Satellites, probably would be barely adequate to meet essential Soviet requirements for direct military purposes, but would not be adequate for industrial uses. This would restrict the full exploitation of industrial and transportation capabilities of Western Europe.

d. The demands upon land transportation facilities would be greatly increased by the military requirements of the extended Soviet lines of communication, increased raw material requirements from Soviet sources made necessary by the naval and air blockade, and the partial disruption of coastal shipping. Land transportation facilities for East-West movement between the Soviet Union and Western Europe probably would be barely adequate for the movement of military supplies and of limited quantities of cereal grains, petroleum, and industrial raw materials. In the Middle East, transportation facilities would be adequate for occupation, but not for defensive, purposes.

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8. The analysis in 7 above indicates that the naval blockade alone would create for the USSR sufficient economic deficiencies to raise serious doubts as to whether, from the economic standpoint, the acquisition of Western Europe and the Near East prior to 1950 would adequately equip the USSR for the continuation of a global war with the US. This analysis, moreover, makes no allowance for continuing bomb damage to industrial installations, oil facilities, and transportation, nor for losses of production resulting from increased organizational difficulties, resistance of the populations to collaboration, and actual sabotage.

9. These latter factors cannot be evaluated in terms of a definite percentage loss in production. It seems reasonable to assume, however, that the loss would be substantial. If this loss were superimposed upon the critical situations created by the blockade, particularly in food, oil, and transportation, the conclusion appears inescapable that the over-all Soviet economic capabilities for conducting a global war would be substantially less than adequate.

10. The military position of the USSR after the occupation of the whole of Europe and the Near East to Cairo would, on the surface, appear to be exceptionally strong. The USSR would have denied the enemy the bulk of readily accessible bases from which to undertake large ground and amphibious attacks. It would have acquired new forward air and naval bases from which to strike at the enemy and his advance bases. By an early development of powerful sustained attacks against the UK and other enemy areas beyond the limits of the Soviet advance, the USSR might hope to hold the enemy on the defensive and seriously limit the development of his counteroffensive forces and activities. With respect to an air attack on UK, the USSR would initially have facilities to support an air force of 6,500 aircraft (which could be increased to almost 10,000 in a matter of months). Guided missiles could be employed against the UK on a scale equal to that of the German attack of 1944, provided an adequate production program had been underway for a sufficient period. The Soviet Submarine Fleet, from the forward bases of Western Europe, could seriously interfere with the shipping to and from the UK and to the Mediterranean Sea. Under these circumstances the USSR could seriously reduce the effectiveness of, or possibly neutralize, the defenses of the UK.

However, except for these further capabilities against the UK--in themselves largely defensive--the USSR would have exhausted its capabilities for offensive action, except for air operations, after it had overrun Western Europe and the Near East to Cairo. It would be forced immediately upon the strategic defensive, primarily for two reasons: (a) the conquest of these areas would not increase significantly its resources immediately available for the conduct of further offensive operations; (b) the USSR would have undertaken a global war before it possessed the appropriate weapons--the atomic bomb, a long-range air force, and a deep sea Navy--with which to strike effectively against the US. The USSR would therefore have realized its impressive tactical capabilities at the expense of

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committing itself to war in a situation that would probably very soon place it at a serious strategic disadvantage, as a result of counter-attacks that would in due course greatly diminish its military capabilities and result in the loss of a substantial amount of the territory which it had acquired. It would then never be able to develop the capabilities for the prosecution of a true global war that an extended period of peace might eventually have enabled it to develop.

The following specific weaknesses in the Soviet military position under conditions of continuing global war would make it impossible for the USSR successfully to defend its conquests against the counter-attack of the US and its allies:

a. As indicated above in the analysis of Soviet economic problems, Soviet economic capabilities for conducting a global war at this time, would be substantially less than adequate. Although the USSR could readily meet the estimated requirements of between 7 and 9 million men for military duties, this would mean the withdrawal of 3 to 4 million workers of more than average skill and productivity from the Soviet economy, thereby further reducing the economic potential.

b. The destruction of even a part of its meager oil refining and transport facilities would seriously cripple both Soviet industrial and military capabilities for resisting a counter-offensive.

c. The transportation system would be barely adequate to meet minimum industrial and military requirements. As the US counter-offensive developed, the competition between military and industrial requirements would increase and the mobility and the endurance of Soviet units far from their home bases would steadily decrease.

d. The Soviet position in the Near East would be particularly weak and vulnerable. Logistic difficulties would prevent the accumulation of adequate stockpiles for successful defensive operations in that area, and even limited enemy attacks on transportation facilities could seriously disrupt the very close balance between ordinary occupation requirements and capabilities for moving supplies to the troops. Under these circumstances, the USSR could not be assured of free use of the Mediterranean over an extended period of time and could not defend successfully against an enemy offensive from the Persian Gulf area.

e. Naval forces would be totally inadequate to defend the vast coastline under the Soviet control.

f. Soviet military morale, politically unstable, would be a serious weakness under conditions of protracted occupation duties and would be an important target for Allied propaganda efforts.

g. Although the USSR could probably deal successfully with resistance movements and sabotage during the period of its advance and for some time thereafter, these factors would be a source of great weakness when the

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enemy counter-offensive got under way. Basically, the USSR would be faced with the difficult problem of conducting its defensive operations along the entire perimeter in the midst of hostile populations; it would not, as in the last war, be defending Russian territory against an invader.

h. Although the acquisition of advance bases for Soviet defensive aircraft would make possible early interception of Allied air attacks upon strategic targets in the USSR, the use of these forward bases would entail a vast dispersion of the Soviet defensive air effort and diminish the intensity of fighter defense closer to the vital targets in the Soviet Union.

i. Present Soviet radar facilities are not sufficient to meet the additional defensive requirements that would develop, and any reorganization of radar defensive systems required by the conquest of Western Europe and the Near East would at least temporarily tend to disrupt present systems.

j. The supply of Soviet antiaircraft equipment would be grossly inadequate for the defense of strategic targets in the vast area now under Soviet control.

The Department of the Air Force dissented in this estimate also. Its dissent follows.

ENCLOSURE B

DISSENT OF THE INTELLIGENCE ORGANIZATION

DEPARTMENT OF THE AIR FORCE

1. The paper "The Strategic Value to the USSR of the Conquest of Western Europe and the Near East (to Cairo) Prior to 1950" is not concurred in.

2. The following comments are submitted:

a. Although this paper purports to deal objectively only with the advantages and disadvantages which would accrue to Russia if she were to overrun Europe and parts of the Middle East, prior to 1950, it actually goes further and attempts to strike a balance and to draw conclusions and so indicates "intent." It therefore is in a position to influence decisions. For this reason, the comments to follow include alternative conclusions which this Directorate considers more sound as a basis for decisions.

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b. It is admitted in the paper that the evidence of Soviet intent is so inadequate as to leave no recourse but to logic. An attempt to forecast Soviet action on such a basis is considered unwarranted.

c. The balance struck in the paper under consideration is through the processes of Western, not Soviet, logic.

d. The paper implies that the Soviet leaders would be induced not to adopt the course of action of overrunning Western Europe solely because of an unfavorable balance of certain factors vis-a-vis the West and at a given time. The total balance of power is not considered, nor does the statement of the problem itself permit the projection of immediate advantages and disadvantages of overrunning Europe, against long range Soviet ambitions. It implies that Soviet leaders would adopt this specific course of action if they should decide that the advantages to their strategic position were greater as a consequence of overrunning Western Europe and the Near East than the disadvantages, without proper qualification as to the time period in which the advantages or disadvantages would accrue. This can not be accepted as a legitimate statement of the problem because the time period is not consonant with accepted Soviet long range expansionist plans. It is possible that adoption of the course of action soon, might pay them dividends later.

e. The paper does not weigh or consider those forces which will bear on Soviet total power vis-a-vis the West after military action has been initiated. The difference between the communistic and democratic systems, under conditions of war, may reverse an unfavorable balance. For example, it is implied that being forced on a "strategic defensive" would in itself be a handicap to the Soviets in their national aims. This is false in the light of the basic Soviet conception of war, and their possession of the resources in time and in depth to turn a strategic defense to an ultimate advantage. In arriving at a comparison of war making potentials, it is necessary to consider the total national resources of the Soviets, which can be developed and exploited under the communistic system, as against the total resources of Western states which can be harnessed to war, but which must be developed and exploited under a totally different system. Using such criteria, the long-term advantages to the Soviets, from their point of view, become formidable. The habit of military organization and command requires no readjustment of the Soviet national psychology during the period of overt military action comparable to the great national dislocations suffered by the western democracies when they are converted to a full war-time basis. It is entirely possible that the Soviets believe that their system would prove hardier under the conditions of continued global war than that of the western democracies.

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f. The paper attempts to strike a balance by examining and analyzing four separate categories: economic, political, scientific, and military, each explored separately in supporting papers, but synthesized for the final estimate. Such compartmental consideration does not give full play to the dynamic inter-relationships and relative values of these factors in determining the overall strategic position of the Soviet nation at any given time. Nor can they be studied without reference to the dynamic force that stems from Soviet ideology. For this reason, any assessment of advantages or disadvantages contained alone in economic, scientific, military, and political categories, will reveal only part of the truth. It is in the synthesis of these elements, influenced by an over-riding, guiding principle, the basic ideology, that some appreciation can be reached which is bound to come nearer the whole truth.

The phenomenon of a new, virile society, thrusting itself conspicuously on the world stage and demanding a share in world power commensurate with its enormous mass and population is not new or unique, but the conditions under which this phenomenon reappears requires closest study if it is to be effectively resisted. Simply stated, the emergence of the Soviet nation is due to its will-to-power, supported by a secret police, and motivated by an ideology that is challenging, which influences and undermines all existing systems in a contest for world domination. The Soviet development of their present capability was by design and implies a willingness to exercise it.

The salient historical fact of World War II is not only that the Soviet Union emerged from that war at the greatest peak in power in the entire history of the Russian people, and as one of the two greatest world powers, but also that it has accomplished this in face of vast destruction, and at a great cost in blood spilled. For this reason, any consideration of such factors as the economic, scientific, political, and military without link to the two great new forces, the unified land mass and the ideology, is futile and dangerous.

g. The paper presents an unrealistic appraisal of the political risk since it is hardly conceivable that the Soviets would take military action under circumstances whereby they are clearly the aggressor. More probably they would promote a situation wherein they goaded the West into taking the offensive in which case Soviet ideology would provide the rallying point for the "down trodden" world underlings subjected to the Wall Street imperialists. If they were successful in establishing these conditions, the Soviet leaders and World Communism would not weaken but greatly strengthen their position.

h. In any comparison of relative Soviet and Western potentials, it must be assumed that the Soviets will eventually possess and atomic capability. Where the balance will stand then is not estimated in this paper.

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It may not be necessary for the Soviets quantitatively to equal our atomic capability, or even to possess a similar weapon, in order to neutralize effectively our use of the weapon. For the Soviets to recreate the balance of power in their favor it may be unnecessary for them to subject their economy to the degree of strain that our atomic requirements impose on our own. They may consider that with their vast expanse, their reserves of slave labor, and their rigid, centralized control, in any final atomic contest our capitalistic economy could not endure the same intensity of punishment we would be capable of visiting on the Soviets, and which they may be better equipped to absorb. This factor may to them render a decision in favor of military action prior to January 1950, far less perilous than it seems. There are also grounds for Soviet belief that in a show-down, the US policy might be to not use the atomic bomb.

It would also seem dangerous to dismiss any consideration of the possibility that the Soviets have already decided that they will have the means of neutralizing our use of atomic weapons should military action begin. Soviet capability of overrunning the Western European nations in a rapid thrust that would envelop large segments of populations friendly to the US, as well as many US nationals, including our occupation and diplomatic personnel, is generally admitted. The Soviets would have no more bourgeois compunction about using these people as hostages against US use of the atomic bomb than they would in sacrificing their own diplomatic personnel in the West, if necessary. The hesitation, if not stoppage, that this maneuver would cause in Washington is a tribute to the humanitarian aspects of our system. The Soviets suffer no such handicap. It is a potential equalizing instrument that they would not hesitate to use. They may consider further that their bacteriological capabilities are an "equalizer" to our "equalizer."

1. The Soviets have seen the economies of all the Western capitalist nations broken by World War II. The United States economy alone remains intact. Their own predictions have emphasized their belief in its collapse in a matter of time. So far, US economy has resisted their predictions. However, it is in keeping with Soviet thinking to conclude that another World War may do the final job of wrecking our economy, thereby ending the last major opposition to Soviet Communist expansion, and it may well be to their advantage to get it started. Since the end of World War II, all the usual means of Soviet war-making short of military action have been directed against the US, but resistance has, if anything, stiffened. New counter-forces are coming into being, such as mass education in the hard realities of Communism and other types of counter-propaganda. The Soviets may fear that their efforts to meet this challenge may not succeed. Likewise, their efforts to promote continued economic and political chaos in the Western capitalist states, as well as to absorb into the inner Soviet system the newly dominated satellites, do not seem to be proceeding according to plan. It may be possible that these factors, together with an evaluation of the present and impending success of the ERP would lead the Politburo to conclude that the law of diminishing returns from their use of all means short of war has already set in.

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j. It is possible that the Soviets have confidence in the ultimate survival of their ideology, even though they may suffer a military defeat in World War III. It is almost inconceivable to envisage a military decision in an atomic war that leaves intact much of Western Civilization as we know it. To the Soviets, champions of a new world system, avowedly to be built on the ashes of the old, this may not have so frightening an aspect. Their system thrives on a brutalization of mankind, such as might be consequent to the devastation of atomic warfare. Their ideology has been their most exportable commodity, and their enthusiasm for building it up securely at home, at the expense of millions of their own lives, and spreading it around the world, may dictate bold action, regardless of certain practical risks, with confidence in their ability to build out of the ensuing chaos the new world Communist order under Soviet domination.

3. CONCLUSIONS:

a. Should the Soviets be "provoked" into a "defensive" military conflict with the Western powers, the external political position of Communism might, in the long run, be strengthened, not weakened.

b. Any action on the part of the USSR which would surely bring forth US atomic counteraction would result in formidable destruction to a major portion of strategic Soviet industry. From the Soviet point of view, however, this might not be a determinant factor.

c. US counter blows would not necessarily result in a quick military decision; Soviet capabilities against the US: bacteriological, subversive, and the use of ruthless reprisals, would provide a partial counter balance to the atomic bomb, and a protracted conflict with its greater strain on US capitalistic economy could work to the eventual advantage of the Soviets.

d. The situation facing the Soviets: a revitaglized rearmed Europe, increasing Western reaction, a rearmed US and development of strong counter-revolutionary forces everywhere, may be sufficient to outweigh all other considerations in a decision to launch military action prior to January 1950.

e. We conclude, therefore, that the immediate disadvantages in the political, economic, scientific and military fields, that would accrue to the Soviets should they elect to adopt their capability of overrunning Western Europe and the Middle East prior to 1 January 1950, are not sufficiently firm or weighty to justify any relaxation of US preparations to prevent or to counter such action, and further that this conclusion should be made unmistakably clear to all US policy makers.

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On October 27, the conclusions of ORE 58-48 were further bolstered by the publication of the principal detailed evidence on which they were based (Appendices to ORE 58-48). This paper is too long for inclusion here but may be found in the CIA Historical Files.

In September, the same ad hoc Committee was directed to reconsider ORE 22-48. It did so and as a result produced on the sixteenth an "Addendum" which did not differ materially from its predecessor except to say that the possibility of deliberate military action had "slightly increased." The Office of Naval Intelligence dissented from this conclusion on grounds that the evidence was "too meager," a fact admitted by the Committee. ORE 22-48¹ Addendum and the dissent follow.

ORE 22-48 (Addendum).

TOP SECRET

POSSIBILITY OF DIRECT SOVIET MILITARY ACTION DURING 1948-49

1

Report of Ad Hoc Committee Reviewing the Conclusions on ORE 22-48

THE PROBLEM

1. We have been directed to estimate if the events of the past six months have increased or decreased the likelihood of a Soviet resort to military action during 1948-49.

2

BASIS FOR ESTIMATE

¹ This estimate was prepared by a joint ad hoc committee representing CIA and the intelligence agencies of the Departments of State, the Army, the Navy, and the Air Force. The date of the estimate is 27 August 1948.

2 The Office of Naval Intelligence concurs generally in the discussion, as contained in the Enclosure.

However, ONI feels that the "Basis for Estimate" as stated is not valid. Evidence of Soviet intentions is meager, but such intelligence as is available does not indicate a resort to deliberate military action. If the position is taken that the intelligence available cannot support conclusions one way or the other, any conclusions drawn from such a basis of estimate are of doubtful value for U.S. planning.

Therefore, ONI feels that the conclusions stated in ORE 22-48, as modified by ONI comment, are still valid. ONI concurs, however, that the events of the past six months have increased slightly the possibility of military action through miscalculation as stated in paragraph 5 of subject report, and would include under miscalculation the possibility that minor military incidents might expand into uncontrolled conflict.

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2. Available intelligence bearing on the stated problem is too meager to support a conclusion that the USSR either will or will not resort to deliberate military action during 1948-49.

* DISCUSSION

3. Our conclusions are based on considerations discussed in the Enclosure.

CONCLUSIONS

4. We do not believe that the events of the past six months have made deliberate Soviet military action a probability during 1948-49. They have, however, added some weight to the factors that might induce the USSR to resort to such action. It is considered, therefore, that the possibility of a resort to deliberate military action has been slightly increased.

5. However, the developments of the past six months which constitute setbacks to the Soviet international position have had the effect of adding to the pressure on the USSR. This pressure increases the possibility of the USSR resorting to diplomatic ventures which, while not constituting acts of war or even envisaging the likelihood of war, will involve an increased risk of miscalculations that could lead to war.

ENCLOSURE

DISCUSSION

1. Reference is made to ORE 22-48. In general, and except for such modifications as follow, it is considered that the discussion and conclusions thereof are still valid and are, particularly in respect to the economic and political factors involved, still generally applicable to the immediate future.

EVENTS WITHIN THE SOVIET ORBIT WHICH MIGHT INDUCE A USSR RESORT TO EARLY MILITARY ACTION

2. In the USSR itself, we find no reliable evidence of military, economic, or political developments of sufficient importance to warrant any revision of our previous conclusions.

3. In the Eastern European Satellites, signs of nationalist sentiment, of mass peasant antagonism to Communist agrarian policies, and of dissension in Communist ranks, have suggested the growth of wavering loyalties and resistance to central direction from USSR. The defection of Tito and the Yugoslav Communist Party is our most striking evidence for the

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existence of an unstable situation. There is no doubt that this situation has caused concern in the Kremlin. While the USSR might consider the use of force to correct this situation, and general war might result, we think such a decision unlikely unless the Soviet leaders believe that the issue has reached a point where it seriously threatens their control of the Soviet orbit. At such a time the risk of war might seem preferable to the risk of losing control. There is no reliable evidence, however, that this point has been reached.

EVENTS IN WESTERN EUROPE WHICH MIGHT INDUCE A USSR RESORT TO EARLY MILITARY ACTION

4. The following events in Western Europe may have brought about some change in Soviet strategic thinking:
 - a. The positive effort of the US to recreate economic and political stability through the European Recovery Program (ERP).
 - b. The increasing firmness of the Western Powers toward Soviet-Communist expansion, with the growth of military solidarity among Western European nations.
 - c. The initial steps to establish a Western German Government.
 - d. The failure of Communist tactics in Western Europe.
5. In ORE 22-48, we stated that "the opportunities for further Soviet gains through the exploitation of economic, political and social instability, while recently diminished, are by no means exhausted." These opportunities probably appear to Soviet analysts to be still further limited in Western Europe. While it can be argued that an increasing reduction of opportunity may be an inducement to early Soviet military action, it is possible that the events noted above have added to the strain on the Communist political control of Eastern Europe and therefore contributed to the weaknesses discussed in paras. 2-3 above. It is considered that the USSR, although confronted with resistance to Communist expansion in Europe, is still capable of exploiting existing political and economic instability, and is therefore more likely to continue to employ these means than to accept the risk of direct military action in the immediate future. Although Europe will remain the major objective, strategic areas elsewhere are also available for profitable exploitation.

EVENTS IN THE UNITED STATES WHICH MIGHT INDUCE A USSR RESORT TO EARLY MILITARY ACTION

6. Since Soviet leaders view, and Communist Parties are indoctrinated to regard the US as the chief bulwark of capitalism, and hence the major antagonist of the USSR, the strategy and tactics of the Kremlin are probably strongly influenced by an analysis of US capabilities and intentions.
7. Until recently, it has been supposed that Soviet planners were assuming a severe economic crisis in the US by the end of 1948, and that from this would follow a progressive weakening of US power potential. In turn, the political and economic recovery of Western Europe would be inhibited. It now appears possible that this assumption is being revised,

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1. ORE 22-48 and its addendum are also discussed Papers No.
and

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and that Soviet planners now assume that US economy will continue productive and prosperous so long as it enjoys the export markets provided by the European Recovery Program.

8. It appears probable that Soviet leaders will be forced to admit a miscalculation of factors in US domestic politics which they earlier considered favorable. Neither the isolationists, the pacifists, nor the Wallace "Progressives" have seriously undermined popular support of a firm US diplomatic line or of adequate US defense proposals. Opinion with respect to US foreign policy has not been fundamentally split along partisan lines. Never before, in peacetime, has US opinion been so uniform on a question of foreign policy. In brief,

9. In ORE 22-48, we stated that "Soviet leaders may have become convinced that the US actually has intentions of military aggression in the near future." Recent events may have somewhat strengthened Soviet conviction in this respect. The passage of a peacetime Draft Act, the continued development of atomic weapons, the general acceptance of increased military appropriations, the establishment of US bases within range of targets in the USSR, the activities of US naval forces in the Mediterranean, and the movement to Europe of US strategic airforce units are instances in point. We think it unlikely, however, that these events have actually led Soviet leaders to the conclusion that positive US aggression must be soon expected. It is considered that they are more probably taken to mean that the ultimate conflict with the capitalist system will be resolved by force rather than by the methods of "cold war." While the danger of an early Soviet move, made in calculated anticipation of this ultimate conflict may be slightly increased by these circumstances, we do not estimate that such a move has become a probability.

10. Soviet analysts, examining these evidences of US intentions, might conclude that they can no longer assume the early disintegration of the capitalist world, and that US military potential, now low, will steadily improve and will ultimately be accompanied by an improvement in the military potential of Western Europe. This might, in turn, suggest looking to military action for the achievement of their aims. However, since the usefulness of non-military methods has not yet been exhausted in Europe, and since there are other regions open to significant exploitation, we do not estimate that a USSR resort to deliberate military action has become a probability.

11. Several recent events—especially the Soviet blockade of Berlin—have served to increase the tension between the USSR and the US. With this heightened tension has come a corresponding increase in the possibility of a miscalculation which might result in general conflict.

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As to the time required for the production of the various estimates (12 days for SE-27; another 16 for ORE 22-48; another 120 for ORE 58-48; two weeks for ORE 22-48 Addendum) it seems about average for papers produced under pressure as of this period.